

I CLAIM:

1. A method of operating a reward points system in
conjunction with a network, the network interconnecting
5 with a plurality of merchants and at least one issuing
bank for issuing a credit card to a user, the method
comprising the steps of:
 - a. a user executing a purchase transaction with a
merchant;
 - 10 b. the user presenting a token during the purchase
transaction, the token having a user identification
associated therewith;
 - c. the merchant providing purchase transaction
15 information to the issuing bank via the network to
enable the issuing bank to add reward points to a
merchant reward point account associated with the
merchant and the user.
2. The method of claim 1 wherein the purchase transaction
20 is a credit card transaction, the token is a credit
card, and the user identification number associated
therewith is the user's credit card number.
3. The method of claim 1 wherein the purchase transaction
25 is a non-credit transaction, the token is a credit
card, and the user identification number associated
therewith is the user's credit card number, wherein the
user may earn reward points into the user's reward
point account associated with a merchant by presenting
30 the credit card to the merchant only for purposes of
referencing the user's reward point account with the
issuing bank.

4. The method of claim 1 wherein the purchase transaction is a debit card transaction, the token is a debit card, and wherein the user identification number associated therewith is the account number on the debit card.
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5. The method of claim 1 wherein the token is a merchant loyalty card, and wherein the user identification number associated therewith is an account number associated with the loyalty card.
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6. The method of claim 1 wherein the token is a smart card, and wherein the user identification number associated therewith is an account number associated with the smart card.
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7. The method of claim 1 wherein the token is a stored value card, and wherein the user identification number associated therewith is an account number associated with the stored value card.
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8. The method of claim 1 wherein the token is a credit union card, and wherein the user identification number associated therewith is an account number associated with the credit union card.
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9. The method of claim 1 wherein the token is in intangible form.
- 30 10. The method of claim 9 wherein the token is the user's social security number.

11. The method of claim 9 wherein the token is a personal identification number (PIN).
12. The method of claim 1 wherein the merchant transmits,
as part of the purchase transaction, an instruction to
the issuing bank to add reward points to the merchant
reward point account associated with the merchant and
the user.
13. The method of claim 1 wherein the issuing bank
automatically adds reward points to the merchant reward
point account associated with the merchant and the user
based on a previously defined rule.
14. The method of claim 13 wherein the previously defined
rule provides for the issuing bank to automatically add
reward points to the merchant reward point account
associated with the merchant and the user based on an
item purchased by the user.
15. The method of claim 13 wherein the previously defined
rule provides for the issuing bank to automatically add
reward points to the merchant reward point account
associated with the merchant and the user based on a
purchase price of an item purchased by the user.
16. The method of claim 13 wherein the previously defined
rule provides for the issuing bank to automatically add
reward points to the merchant reward point account
associated with the merchant and the user based on the
geographic location of the merchant.

17. The method of claim 13 wherein the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the date of the purchase transaction.
18. The method of claim 13 wherein the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the time of day of the purchase transaction.
19. The method of claim 1 further comprising the step of redeeming reward points from the merchant reward point account by the steps of
- the user executing a redemption purchase transaction with the merchant;
 - presenting the token during the redemption purchase transaction for utilizing reward points from the merchant reward point account for the redemption purchase transaction;
 - the issuing bank reducing the merchant reward point account associated with the merchant and the user by the amount of points used in the redemption purchase transaction.
20. The method of claim 19 wherein the user executes the redemption purchase transaction completely with reward points from the reward point account at the issuing bank.
21. The method of claim 19 wherein the user executes the redemption purchase transaction partially with reward

points from the reward point account at the issuing bank and partially with other consideration.

5 22. The method of claim 19 wherein the merchant transmits, as part of the redemption purchase transaction, an instruction to the issuing bank to subtract reward points from the merchant reward point account associated with the merchant and the user.

10 23. The method of claim 19 wherein the issuing bank automatically subtracts reward points from the merchant reward point account associated with the merchant and the user based on a previously defined rule.

15 24. The method of claim 23 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on an item redeemed for by the user.

20 25. The method of claim 23 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on a redemption purchase price of an item redeemed for by the user.

25 26. The method of claim 23 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the geographic location of the merchant.

27. The method of claim 23 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the date of the redemption purchase transaction.
28. The method of claim 23 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the time of day of the redemption purchase transaction.
29. The method of claim 1 comprising the further step of establishing a cluster of participating merchants, each of which have merchant reward point accounts established with an issuing bank.
30. The method of claim 29 comprising the further steps of allowing reward points from a reward point account associated with one of the participating merchants in the cluster to be redeemed with another participating merchant in the cluster.
31. The method of claim 30 comprising the further step of disallowing reward points from a reward point account associated with a merchant that is not a participating merchant in the cluster to be redeemed with a participating merchant in the cluster.
32. The method of claim 1 further comprising the steps of establishing a reward point exchange account associated with a user on a database on the network;

selecting reward points from each of a plurality of
merchant reward point accounts associated with the user
for exchange into the reward point exchange account;
and

5 aggregating the selected reward points into the
reward point exchange account.

33. The method of claim 32 further comprising the step of
the user redeeming aggregated reward points from the
10 user's reward point exchange account by the steps of
the user executing a redemption purchase
transaction with a merchant;
the user indicating to the merchant that
aggregated reward points from the reward point
15 exchange account should be utilized for the
redemption purchase transaction; and
the reward point exchange account being reduced
by the number of aggregated reward points
utilized for the redemption purchase
20 transaction.

34. The method of claim 32 comprising the further steps of:
establishing a cluster of participating merchants,
each of which have merchant reward point accounts
25 established with an issuing bank;
allowing aggregation of reward points from each of
the participating merchants in the cluster into the
user's reward point exchange account; and
disallowing aggregation of points from a merchant
30 which is not a member of the cluster.

35. The method of claim 34 comprising the further step of allowing for redemption of aggregated reward points only with merchants that are members of the cluster.

5 36. The method of claim 33 wherein the reward point exchange database is administered by an operator on the network.

10 37. The method of claim 33 wherein the reward point exchange database is administered by an issuing bank.

15 38. The method of claim 33 wherein reward points from an independent reward point system may be aggregated into the reward point exchange account.

20 39. The method of claim 1 wherein the step of the merchant providing purchase transaction information to the issuing bank via the network is executed via an acquiring bank that is part of the network.

25 40. The method of claim 1 wherein the number of reward points added to the merchant reward point account is a percentage of a purchase price associated with the purchase transaction.

30 41. The method of claim 1 wherein the network is a credit card network comprising a plurality of issuing banks, a plurality of acquiring banks, and a plurality of merchants.

42. The method of claim 1 wherein the network is a global communications network.

43. The method of claim 42 wherein the global communications network is the Internet.

5 44. The method of claim 1 wherein the network is a wireless network.

45. The method of claim 1 wherein the network is an interactive television network.

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46. The method of claim 1 wherein the user executes the purchase transaction at a physical point of sale associated with the merchant and the user physically presents the token to the merchant.

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47. The method of claim 1 wherein the user executes the purchase transaction via a web site associated with the merchant, and the user enters the user identification associated with the token to the web site.

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48. The method of claim 19 wherein the user executes the redemption purchase transaction at a physical point of sale associated with the merchant and the user physically presents the token to the merchant.

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49. The method of claim 19 wherein the user executes the redemption purchase transaction via a web site associated with the merchant, and the user enters the user identification associated with the token to the web site.

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50. The method of claim 32 wherein the user indicates the aggregation of selected reward points into the reward point exchange account via a web site over the Internet.

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51. A reward points system operating on a network, the network interconnecting with a plurality of merchants and at least one issuing bank for issuing a credit card to a user, wherein:

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the merchant comprises:

means for executing a purchase transaction with a user;

means for accepting presentation of a token by a user for payment of the purchase transaction, the token having a user identification associated therewith; and

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means for providing purchase transaction information to the issuing bank via the network to enable the issuing bank to add reward points to a merchant reward point account associated with the merchant and the user.

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52. The system of claim 51 wherein the purchase transaction is a credit card transaction, the token is a credit card, and the user identification number associated therewith is the user's credit card number.

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53. The system of claim 51 wherein the purchase transaction is a non-credit transaction, the token is a credit card, and the user identification number associated therewith is the user's credit card number, wherein the user may earn reward points into the user's reward point account associated with a merchant by presenting

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the credit card to the merchant only for purposes of referencing the user's reward point account with the issuing bank.

- 5 54. The system of claim 51 wherein the purchase transaction is a debit card transaction, the token is a debit card, and wherein the user identification number associated therewith is the account number on the debit card.
- 10 55. The system of claim 51 wherein the token is a merchant loyalty card, and wherein the user identification number associated therewith is an account number associated with the loyalty card.
- 15 56. The system of claim 51 wherein the token is a smart card, and wherein the user identification number associated therewith is an account number associated with the smart card.
- 20 57. The system of claim 51 wherein the token is a stored value card, and wherein the user identification number associated therewith is an account number associated with the stored value card.
- 25 58. The system of claim 51 wherein the token is a credit union card, and wherein the user identification number associated therewith is an account number associated with the credit union card.
- 30 59. The system of claim 51 wherein the token is in intangible form.

60. The system of claim 59 wherein the token is the user's social security number.

5 61. The system of claim 59 wherein the token is a personal identification number (PIN).

10 62. The system of claim 51 wherein the means for providing purchase transaction information to the issuing bank via the network to enable the issuing bank to add reward points to a merchant reward point account associated with the merchant and the user comprises means for transmitting an instruction to the issuing bank to add reward points to the merchant reward point account associated with the merchant and the user.

15 63. The system of claim 51 wherein the issuing bank comprises means for automatically adding reward points to the merchant reward point account associated with the merchant and the user based on a previously defined rule.

20 64. The system of claim 63 wherein the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on an item purchased by the user.

25 65. The system of claim 63 wherein the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on a purchase price of an item purchased by the user.

66. The system of claim 63 wherein the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the geographic location of the merchant.

67. The system of claim 63 wherein the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the date of the purchase transaction.

68. The system of claim 63 wherein the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the time of day of the purchase transaction.

69. The system of claim 15 wherein the merchant further comprises:

means for executing a redemption purchase transaction with the user;

means for accepting presentation of a token by a user for payment of the redemption purchase transaction, the token having a user identification associated therewith; and

means for providing redemption purchase transaction information to the issuing bank via the network to enable the issuing bank to subtract, from a merchant reward point account associated with the merchant and the user, the number of points used in the redemption purchase transaction.

70. The system of claim 69 wherein the user executes the redemption purchase transaction completely with reward points from the reward point account at the issuing bank.

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71. The system of claim 69 wherein the user executes the redemption transaction partially with reward points from the reward point account at the issuing bank and partially with other consideration.

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72. The system of claim 69 wherein the means for providing redemption purchase transaction information to the issuing bank comprises means for transmitting, as part of the redemption purchase transaction, an instruction to the issuing bank to subtract reward points from the merchant reward point account associated with the merchant and the user.

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73. The system of claim 69 wherein the issuing bank comprises means for automatically subtracting reward points from the merchant reward point account associated with the merchant and the user based on a previously defined rule.

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74. The system of claim 73 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on an item redeemed for by the user.

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75. The system of claim 73 wherein the previously defined rule provides for the issuing bank to automatically

subtract reward points from the merchant reward point account associated with the merchant and the user based on a redemption purchase price of an item redeemed for by the user.

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76. The system of claim 73 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the geographic location of the merchant.

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77. The system of claim 73 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the date of the redemption purchase transaction.

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78. The system of claim 73 wherein the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the time of day of the redemption purchase transaction.

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79. The system of claim 51 in which a cluster of participating merchants is established, each of which have merchant reward point accounts established with an issuing bank.

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80. The system of claim 79 in which reward points from a reward point account associated with one of the participating merchants in the cluster may be redeemed with another participating merchant in the cluster.

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81. The system of claim 80 in which reward points from a reward point account associated with a merchant that is not a participating merchant in the cluster may not be redeemed with a participating merchant in the cluster.

82. The system of claim 51 further comprising:

a database comprising a plurality of reward point exchange accounts, each reward point exchange account associated with a user;

means for allowing the selection of reward points from each of a plurality of merchant reward point accounts associated with the user for exchange into the reward point exchange account; and

means for aggregating the selected reward points into the reward point exchange account.

83. The system of claim 82 wherein the user redeems aggregated reward points from the user's reward point exchange account by

executing a redemption purchase transaction with a merchant;

utilizing aggregated reward points from the reward point exchange account for the redemption purchase transaction; and

the reward point exchange account is reduced by the number of aggregated reward points utilized for the redemption purchase transaction.

84. The system of claim 52 wherein a cluster of participating merchants are established, each of which have merchant reward point accounts established with the issuing bank;

reward points are able to be aggregated from each of the participating merchants in the cluster into the user's reward point exchange account; and

reward points are not allowed to be aggregated from a merchant which is not a member of the cluster.

85. The system of claim 84 wherein aggregated reward points may be redeemed only with merchants that are members of the cluster.

86. The system of claim 83 wherein the reward point exchange database is administered by an operator on the network.

87. The system of claim 83 wherein the reward point exchange database is administered by an issuing bank.

88. The system of claim 83 wherein reward points from an independent reward point system may be aggregated into the reward point exchange account.

89. The system of claim 20 wherein the merchant requests via the credit card network approval of the purchase transaction from an issuing bank by requesting approval of the purchase transaction via an acquiring bank that is part of the credit card network.

90. The system of claim 51 wherein the number of reward points added to the merchant reward point account is a percentage of a purchase price associated with the purchase transaction.

91. The system of claim 51 wherein the network is a credit card network comprising a plurality of issuing banks, a plurality of acquiring banks, and a plurality of merchants.

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92. The system of claim 51 wherein the network is a global communications network.

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93. The system of claim 92 wherein the global communications network is the Internet.

94. The system of claim 51 wherein the network is a wireless network.

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95. The system of claim 51 wherein the network is an interactive television network.

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96. The system of claim 51 wherein the user executes the purchase transaction at a physical point of sale associated with the merchant and the user physically presents the token to the merchant.

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97. The system of claim 51 wherein the user executes the purchase transaction via a web site associated with the merchant, and the user enters the user identification associated with the token to the web site.

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98. The system of claim 69 wherein the user executes the redemption purchase transaction at a physical point of sale associated with the merchant and the user physically presents the token to the merchant.

99. The system of claim 69 wherein the user executes the redemption purchase transaction via a web site associated with the merchant, and the user enters the user identification associated with the token to the web site.

100. The system of claim 82 wherein the user indicates the aggregation of selected reward points into the reward point exchange account via a web site over the Internet.